



## **Privacy Impact Assessment of Community Reinvestment Act / Home Mortgage Disclosure Act Analysis Tool (CHAT)**

**For Questions or Comments, please email: [privacy.comments@frb.gov](mailto:privacy.comments@frb.gov)**

### **Description of the IT system:**

The Community Reinvestment Act / Home Mortgage Disclosure Act Analysis Tool (CHAT) is a software tool used to analyze lending and demographic data gathered from regulated financial institutions (financial institutions). The Board of Governors of the Federal Reserve System (Board) operates CHAT and makes it available to Federal Reserve Bank examiners as a tool to review and analyze large, intermediate, and small bank loan portfolios in accordance with applicable Community Reinvestment Act (CRA) examination procedures. In particular, the tool assists examiners with mapping and analyzing a financial institution's lending activity to determine compliance with CRA, as well as providing demographic and loan data analysis.

This PIA updates the CHAT PIA dated December 13, 2006.

### **1. The information concerning individuals that is being collected and/or maintained:**

As indicated below, financial institutions provide Federal Reserve Bank examiners with required data fields for analysis, while other data fields are optional. The optional data fields are those that financial institutions choose to provide to an examiner. Information collected from financial institutions may include personally identifiable information (PII).<sup>1</sup> However, it may be possible for individuals to be identified by combining certain non-PII data elements provided by financial institutions.

- a. Borrower name (*optional*),
- b. Borrower identification number (*optional*),
- c. Borrower address (*optional*),

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<sup>1</sup> PII is information that can be used to distinguish or trace an individual's identity, either alone or when combined with other information that is linked or linkable to a specific individual. The Office of Management and Budget (OMB), OMB M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information* (January 3, 2017). [https://www.whitehouse.gov/wp-content/uploads/legacy\\_drupal\\_files/omb/memoranda/2017/m-17-12\\_0.pdf](https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2017/m-17-12_0.pdf).

- d. Loan identification number (*required*),
- e. Application date (*required*),
- f. Action date (decision date on loan application) (*required*), and
- g. Geographic identifiers such as city, state, county, Metropolitan Statistical Area (MSA)/Metropolitan Division (MD) Code, tract code, latitude, and longitude (*required*).

**2. Source(s) of each category of information listed in item 1:**

Federal Reserve Bank examiners may obtain PII from CRA (e.g., small business, small farm data) and Home Mortgage Disclosure Act (HMDA) data collected directly from financial institutions during a consumer compliance examination. HMDA data may also come from data submitted to the Federal Financial Institutions Examination Council (FFIEC).<sup>2</sup>

**3. Purposes for which the information is being collected:**

Board staff use CHAT on all consumer compliance examinations of financial institutions for the purpose of CRA and fair lending data analysis, and for compliance with applicable laws and regulations. Analysis of data during the course of a consumer compliance examination allows the Federal Reserve System (Board and Federal Reserve Banks) to determine if a financial institution is meeting the credit and lending needs of its defined market. If an institution's performance is below satisfactory or in non-compliance, in-depth record-by-record data analysis can provide insight into the problem areas and possible corrective action(s).

**4. Who will have access to the information:**

Access to this information is limited to authorized Federal Reserve System staff who require access for official business purposes. The information maintained in CHAT may also be subject to disclosure under the Freedom of Information Act (FOIA) (5 USC §552) or in connection with fair lending cases that may be referred to the U.S. Department of Justice.

**5. Whether the individuals to whom the information pertains have an opportunity to decline to provide the information or to consent to particular uses of the information (other than required or authorized uses):**

Individuals do not have an opportunity to decline to provide the required information or consent to the particular uses of the information.

**6. Procedure(s) for ensuring that the information maintained is accurate, complete and up-to-date:**

PII maintained in CHAT is collected directly from financial institutions' lending records, and not from the individual loan applicants. CHAT is designed to use the most current and complete

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<sup>2</sup> FFIEC is an interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the Consumer Financial Protection Bureau (CFPB) and to make recommendations to promote uniformity in the supervision of financial institutions.  
<https://www.ffiec.gov/about/mission>.

CRA and HMDA data available from financial institutions, the Board, and the Consumer Financial Protection Bureau. The CHAT data incorporates FFIEC data verification edits that check for quality and validity errors (referred to as “quality edits” and “validity edits”). Quality edits check for missing income, revenue and loan amount information. Validity edits check for missing or invalid geographic identification information. Records that fail either or both edit checks can be manually corrected during the import process or written to an error file for correction. Randomly selected loan records are used to verify content of loan records in accordance with established data verification procedures. Corrections to incomplete or inaccurate records are either made by the financial institution or by the examiners on-site at a financial institution.

**7. The length of time the data will be retained and how will it be purged:**

Lending data in CHAT containing PII is retained for the duration of an examination. Once the examination is concluded, the lending data is retained in accordance with examination frequency and trend analysis requirements, which is ten (10) years from the conclusion of the examination.

**8. The administrative and technological procedures used to secure the information against unauthorized access:**

CHAT applies the applicable privacy and security controls in the National Institute of Standards and Technology’s (NIST) Special Publication 800-53 (Rev. 5), *Security and Privacy Controls for Information Systems and Organizations* in accordance with the Federal Information Security Management Act (FISMA). CHAT has the ability to track individual user actions within the system. Access to CHAT is restricted to authorized Federal Reserve System staff who require access in furtherance of their official business responsibilities. Authorized users are classified into different roles with applicable access and usage rights. Periodic audits and reviews are conducted to determine whether users still require access, have the appropriate role, and whether there have been any unauthorized changes in any information maintained in the CHAT.

**9. Whether a new system of records under the Privacy Act will be created. (If the data are retrieved by name, unique number or other identifier assigned to an individual, then a Privacy Act system of records may be created):**

CHAT is not a system of records requiring the publication of a system of records notice since information is not retrieved by an individual’s name or personal identifier.

**Reviewed:**

**CHARLES YOUNG** Digitally signed by CHARLES YOUNG  
Date: 2025.04.30 14:41:35 -04'00'

Charles Young  
Senior Agency Official for Privacy

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Date

**JEFFREY RIEDEL** Digitally signed by JEFFREY  
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Date: 2025.05.02 10:17:50  
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Jeffrey Riedel  
Chief Information Officer

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Date